

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Calpine Corporation, et al.,

Debtors.

)
)
) Chapter 11
)
) Case No. 05-60200 (BRL)
) Jointly Administered
)

**ORDER AUTHORIZING THE DEBTORS TO REJECT CERTAIN
UNEXPIRED, NONRESIDENTIAL REAL PROPERTY OFFICE FACILITY LEASES**

Upon the motion (the “Motion”)¹ of the above-captioned debtors (collectively, the “Debtors”) for entry of an order authorizing the Debtors to reject certain unexpired, nonresidential real property office facility leases; it appearing that the relief requested is in the best interest of the Debtors’ estates, their creditors and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; notice of this Motion and the opportunity for a hearing on this Motion was appropriate under the particular circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED

1. The Motion is granted in its entirety.
2. Each Rejected Lease listed on the attached **Schedule 1** is rejected effective as of the Petition Date.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

3. The Debtors do not waive any claims that they have or may have against any of the counter-parties to the Rejected Leases, whether or not such claims are related to the rejection of the Rejected Leases.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. The requirement set forth in Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York that any motion or other request for relief be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Application or otherwise waived.

7. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: December 21, 2005
New York, New York

/s/Burton R. Lifland
United States Bankruptcy Judge

SCHEDULE 1

Counterparty	Counterparty Address	Description of Lease	Effective Date of Rejection
DivcoWest Property Services	DivcoWest Property Services Attn: Mark Smith 100 Park Center, Suite 425 San Jose, CA 95113 Divco West Group LLC Attn: Asset Manager 150 Almaden Blvd Ste 700 San Jose, CA 95113	150 Almaden Ave., Suite 500 San Jose, CA 95113	Dec. 20, 2005
American Funding & Financial Corporation	American Funding & Financial Corporation Attn: Julius Nyanda 150 Almaden Ave., Suite 500 San Jose, CA 95113	150 Almaden Ave., Suite 500 San Jose, CA 95113	Dec. 20, 2005